

**ADDENDUM NUMBER 1 TO AGREEMENT BETWEEN THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION AND THE DEVELOPMENT FUND NORWAY CONCERNING CLIMATE RESILIENT RURAL LIVELIHOODS PROGRAMME 2021-2025 QZA-20/0246**

**1 BACKGROUND**

- 1.1 The Norwegian Agency for Development Cooperation (Norad) and the Grant Recipient (jointly referred to as the Parties) have entered into an agreement dated 07.05.2021 (the Agreement) concerning QZA-20/0246 Climate Resilient Rural Livelihoods Programme. (the Project).
- 1.2 The Grant Recipient has submitted a request to Norad dated 29.09.2021 regarding additional financial support to the Project for an added project component Scaling Conservation Agriculture-based sustainable intensification in Ethiopia (SCASI), with which Norad has decided to comply.
- 1.3 The Parties have agreed to amend the Agreement through this addendum number 1 (the Addendum), which shall be an integrated part of the Agreement.

**2 ADDITIONAL GRANT**

- 2.1 Norad shall, subject to Norwegian parliamentary appropriations and on the terms and conditions of the Agreement and this Addendum, provide an additional grant not exceeding NOK 45.000.000 (Norwegian Kroner forty-five million (the Additional Grant)).
- 2.2 The Additional Grant shall be used exclusively to finance the added project component, SCASI, as specified in the revised overall budget attached as Annex A to this Addendum during the Support Period. The annex B2 represent the Results Framework of the new component, SCASI, which shall be added to the Results Framework, Annex B, of the Agreement. The Grant Recipient will report on both the overall Results Framework attached to the original Grant Agreement and the Results Framework for SCASI as attached to this addendum.
- 2.3 The Additional Grant shall be disbursed upon written request as described in the Agreement.

**3 REMAINING CONDITIONS OF THE AGREEMENT**

- 3.1 All other provisions of the Agreement shall remain unchanged and in force.

**4 ENTRY INTO FORCE AND DURATION**

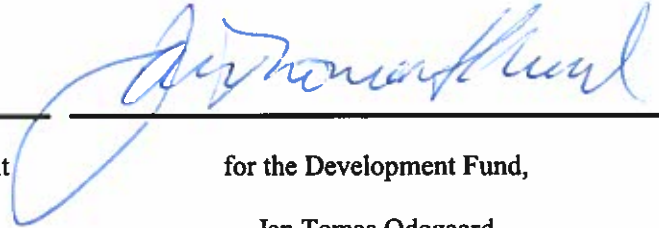
- 4.1 The Addendum shall enter into force on the date of the last signature, and remain in force until all obligations arising from it have been fulfilled.

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This Addendum has been signed in two -2- original copies in the English language, whereof the Parties keep one each. In the event of any discrepancies between this English language version and any later translations, the English language version shall prevail.

Place: *Oslo, Norway*

Date: *1.12.2021*



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for the Norwegian Agency for Development  
Cooperation,

Astrid Tveteraas

Head of Section for Food

for the Development Fund,

Jan Tomas Odegaard

Executive Director

**Attachments:**

Annex A: Revised budget

Annex B2: SCASI Result Framework

**Annex A – addendum 1 - QZA-20/0246**

**NAME OF ORGANIZATION: UTVIKLINGSFONDET**  
**BUDGET CURRENCY: NOK**

DIRECT PROJECT COSTS (based on cost-categories)	2021	2022	2023	2024	2025	TOTAL	Share
	NOK	NOK	NOK	NOK	NOK	NOK	%
<b>DIRECT PROJECT COSTS (HQ)</b>							
Salaries (Lønnskostnader)	8 347 088	8 749 892	8 749 892	8 749 892	7 931 200	42 527 963	11 %
Travels (Reisekostnader)	5 484 118	5 484 118	5 484 118	5 484 118	5 484 118	27 420 590	7 %
Consultants and other external services (Kostnader til konsulenter og andre eksterne tjenester)	580 000	580 000	580 000	580 000	580 000	2 900 000	1 %
Materials, equipment, vehicles etc. (Materialer, utstyr, kjøretøy m.m.)						-	0 %
Other direct activity costs (Andre kostnader knyttet til implementering av prosjektet)	1 642 970	727 082	727 082	1 227 082	727 082	5 051 298	1 %
Audits and external evaluations (Revisjon og eksterne evalueringer)	640 000	1 140 000	1 140 000	640 000	1 140 000	4 700 000	1 %
Add. I SCASI - HQ costs		818 692	818 692	818 692		2 456 075	
<b>DIRECT PROJECT COSTS (Regional/Country Office)</b>	<b>5 417 282</b>	<b>6 866 002</b>	<b>6 866 002</b>	<b>6 866 003</b>	<b>5 665 998</b>	<b>31 681 288</b>	<b>9 %</b>
Salaries (Lønnskostnader)	3 682 809	3 595 878	3 583 222	3 576 721	3 636 693	18 075 323	5 %
Travels (Reisekostnader)	554 776	390 421	388 876	395 377	417 178	2 146 628	1 %
Operating costs (Driftskostnader)	553 678	855 491	856 386	856 386	797 545	3 919 486	1 %
Consultants and other external services (Kostnader til konsulenter og andre eksterne tjenester)	177 035	165 628	171 735	171 735	154 089	840 222	0 %
Materials, equipment, vehicles etc. (Materialer, utstyr, kjøretøy m.m.)	131 093	37 250	36 258	36 258	31 983	272 842	0 %
Other direct activity costs (Andre kostnader knyttet til implementering av prosjektet)	274 140	283 834	266 441	266 441	265 427	1 356 283	0 %
Local costs DF advisor Nepal		250 000	250 000	250 000	250 000	1 000 000	0 %
Audits and external evaluations (Revisjon og eksterne evalueringer)	43 750	87 500	113 084	113 084	113 084	470 502	0 %



Add. I SCASI - CO costs	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	3 600 000	
<b>DIRECT PROJECT COSTS (Local*)</b>	<b>51 510 268</b>	<b>62 586 375</b>	<b>66 852 868</b>	<b>63 302 754</b>	<b>52 652 504</b>	<b>296 904 769</b>	<b>80 %</b>
Salaries (Lønnskostnader)	14 705 224	16 622 333	17 586 588	18 356 852	18 887 611	86 158 608	23 %
Travels (Reisekostnader)	1 647 681	1 991 325	1 910 830	1 998 150	1 895 461	9 443 447	3 %
Operating costs (Driftskostnader)	2 975 233	2 955 815	2 964 366	3 053 714	3 055 143	15 004 271	4 %
Consultants and other external services (Kostnader til konsulenter og andre eksterne tjenester)	228 573	228 525	174 906	187 752	136 906	956 662	0 %
Materials, equipment, vehicles etc. (Materialer, utstyr, kjøretøy m.m.)	3 079 473	2 232 071	235 369	191 975	102 324	5 841 212	2 %
Other direct activity costs (Andre kostnader knyttet til implementering av prosjektet)	28 527 933	27 586 305	28 977 503	28 233 227	28 118 995	141 443 963	38 %
Seminars	0	40 700	81 627	84 570	88 304	295 201	0 %
Audits and external evaluations (Revisjon og eksterne evalueringer)	346 151	329 932	354 637	362 925	367 760	1 761 405	0 %
Add. I. SCASI - Local costs		10 599 369	14 567 042	10 833 589		36 000 000	10 %
<b>TOTAL DIRECT PROJECT COSTS</b>	<b>65 274 640</b>	<b>78 202 269</b>	<b>82 468 762</b>	<b>78 918 649</b>	<b>66 249 702</b>	<b>371 114 022</b>	

DIRECT PROJECT COST BY COUNTRY (required information for multi-country agreements)	2021	2022	2023	2024	2025	TOTAL	Share
	NOK	NOK	NOK	NOK	NOK	NOK	%
Malawi	8 232 360	8 213 510	8 313 510	8 413 609	8 413 609	41 586 597	11 %
Ethiopia	28 422 848	28 749 987	28 849 987	28 850 087	28 850 087	143 722 996	39 %
Somalia	9 231 180	9 230 980	9 329 801	9 331 180	9 331 180	46 454 321	13 %
Nepal	10 251 180	10 251 180	10 251 180	10 292 892	10 376 226	51 422 658	14 %
Guatemala	8 721 180	9 138 551	9 138 551	9 178 600	9 278 600	45 455 482	12 %
Global GDPR	415 888						
Add. I. SCASI (Ethiopia)		12 618 061	16 585 734	12 852 281		42 056 075	11 %
<b>TOTAL DIRECT PROJECT COSTS</b>	<b>65 274 640</b>	<b>78 202 269</b>	<b>82 468 762</b>	<b>78 918 649</b>	<b>66 249 702</b>	<b>371 114 022</b>	

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DIRECT PROJECT COST BY OUTCOME (or by thematic area/sector if cost distribution by outcome is too complicated)	2021	2022	2023	2024	2025	TOTAL	Share
	NOK	NOK	NOK	NOK	NOK	NOK	%
Output 1: Awareness raising provided by partner and community leaders to improve nutrition and care practices	4 636 886	3 615 795	4 222 135	4 260 225	4 086 501	20 821 542	6 %
Output 2: Support provided to smallholder farmers and pastoralists on sustainable agriculture, seed systems and livestock production	20 128 531	22 315 538	25 374 749	27 344 198	24 652 494	119 815 510	32 %
Output 3: Support to rural communities develop CAV plans and manage/restore land and water resources	17 486 566	19 154 418	17 306 519	18 191 079	17 392 311	89 530 892	24 %
Output 4: Support provided to women, youth and marginalised groups to develop income generation opportunities and businesses	9 976 979	11 656 677	7 993 684	8 666 534	8 215 105	46 508 979	13 %
Output 5: Support provided to promote inclusive rural communities and grassroots organisations	4 765 107	4 658 163	5 326 537	1 841 694	5 574 945	22 166 446	6 %
Output 6: Support provided to communities and grassroots organisations to advocate for good government services and legal frameworks	3 489 422	2 632 853	3 558 000	3 770 798	3 384 316	16 835 389	5 %
Output 7: Implementing partners are provided with capacity building and knowledge exchange opportunities based on identified needs	658 535	354 953	342 952	294 140	370 526	2 021 106	1 %
Inception Phase	1 579 836	-	-	-	-	1 579 836	0 %
MEAL activities	2 136 888	1 195 812	1 758 452	1 697 700	2 573 504	9 362 355	3 %
Global GDPRD	415 888	-	-	-	-	415 888	0 %
Add. I SCASI	-	12 618 061	16 585 734	12 852 281	-	42 056 076	11 %
<b>TOTAL DIRECT PROJECT COSTS</b>	<b>65 274 640</b>	<b>78 202 269</b>	<b>82 468 762</b>	<b>78 918 649</b>	<b>66 249 702</b>	<b>371 114 022</b>	

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INCOME/FINANCING PLAN DIRECT PROJECT COSTS	2021	2022	2023	2024	2025	TOTAL	Share
	NOK	NOK	NOK	NOK	NOK	NOK	%
Grant funding Norad	41 280 374	41 280 374	41 280 374	41 280 374	41 280 374	206 401 870	56 %
Grant funding Norad Food Security	17 695 288	29 897 461	33 865 134	30 131 681	17 279 400	128 868 964	35 %
Grant funding, HELVETAS & ORDA	1 712 268	2 437 724	2 736 544	2 919 884	3 103 218	12 909 638	3 %
Own-contribution 10% of Grant Funding Norad	4 586 710	4 586 710	4 586 710	4 586 710	4 586 710	22 933 550	
in kind contribution							
<b>TOTAL INCOME/FINANCING PLAN DIRECT PROJECT COSTS</b>	<b>65 274 640</b>	<b>78 202 269</b>	<b>82 468 762</b>	<b>78 918 649</b>	<b>66 249 702</b>	<b>371 114 022</b>	

GRANT APPLICATION/AGREED AMOUNT	2021	2022	2023	2024	2025	TOTAL	Rate
	NOK	NOK	NOK	NOK	NOK	NOK	%
Norad contribution direct project cost	41 280 374	41 280 374	41 280 374	41 280 374	41 280 374	206 401 870	93 %
Norad indirect cost contribution, 7% administration	2 889 626	2 889 626	2 889 626	2 889 626	2 889 626	14 448 130	7 %
Sum Norad cooperation agreement	44 170 000	44 170 000	44 170 000	44 170 000	44 170 000	220 850 000	100 %
Norad Food Security	17 695 288	29 897 461	33 865 134	30 131 681	17 279 400	128 868 964	93 %
Norad Food Security indirect cost contribution, 7% administration	1 238 712	2 092 864	2 370 601	2 109 260	1 209 600	9 021 037	7 %
Sum Norad Food Security	18 934 000	31 990 325	36 235 735	32 240 941	18 489 000	137 890 001	100 %
<b>TOTAL NORAD GRANT AMOUNT</b>	<b>63 103 998</b>	<b>76 160 326</b>	<b>80 405 736</b>	<b>76 410 941</b>	<b>62 659 000</b>	<b>358 740 001</b>	

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Annex B2 Addendum 1

SCASI Project RESULT FRAMEWORK (LOG frame)												
EXPECTED RESULTS	#	INDICATORS	INDICATORS DEFINITION	BASELINE	TARGETS					DATA SOURCES	FREQUENCY	RISK/ASSUMPTIONS
					Y1	Y2	Y3	Total				
Improved food security of farmers in 8 woredas in 4 regional states (Amhara, BG, Oromia, SNNPR)	0,1	Household food availability	% increase in the availability of food supplied using the tool "Months of Adequate Household Food Provisioning [MAHFP]"	TBD		5 %	10 %	10 %	10 %	Household survey	2 <sup>nd</sup> year, Mid-term, and final evaluation	Climate variability. Incidence of pest and diseases, and unexpected conditions that may affect household decisions can affect the reliability of the indicator.
	0,2	Annual yield variability	Reduction in downside risk measured as percent of annual yield variability reduction expressed in coefficient of variation	TBD			15 %	15 %		Mid-term and final evaluation	Short project time may not allow full assessment of production variability.	
<b>OUTCOMES</b>												
1. Increased crop productivity on sustainable basis	1.1	Crop land area coverage covered by CASI practices	% of crop area covered by at least 3 CASI practices in the project districts	TBD	5 %	10 %	20 %	20 %	Household survey	Annually	Limited area of farm land and lack of mulching material may discourage farmers practice of CASI.	

	1.2	Level of yield increase	% of increase in average yields of crops (kg/ha) considered for the study		5 %	10 %	20 %	20 %	Pre-post-harvest yield assessment	Annually	Climate variability and seasonal conditions can mask the yield benefits of CASI.
	1.3	Crop diversity	Average increase in number of crop types/variety grown per household from baseline.		-	1	3	3	Interview	Annually	Coming of abandoned crops encourage farmers to maintain SCASI.
2. Restored and enhanced soil health	2.1	Soil physical property score	Hoe test/aggregation, Color, compaction and crusting	TBD	-		Intermediate score (2)	Intermediate score (2)		Mid-term and final evaluation	Lack of practical experiences and personal bias may affect project results.
	2,2	Soil chemical property score	PH	TBD			Intermediate score (2)	Intermediate score (2)	Farmers and Soil lab results of the respective regions	Mid-term and final evaluation	Lack of practical experiences and personal bias may affect project results.
	2.3	Soil biological property score	Solvita test (micro-bial respiration)	TBD			Intermediate score (2)	Intermediate score (2)		Mid-term and final evaluation	Shortage of reagent and experience gap may affect practicability of this test.
3. Increased awareness and Capacity of smallholder farmers on sustainable production systems	3,1	# of farmers practicing CASI	# of women and men farmers who received CASI trainings # of women and men farmers who have practiced CASI for two consecutive seasons	0	0	2 500	11 500	11 500	Program reports	Annually	Unwillingness of some farmers to host others to learn from them.
	3,2			0	2 500	11 500	15 000	15 000		Annually	





4,3	# of functional community platforms promoting CASI	# of functional informal groups who used the group for CASI promotion and learning (SHG, VSLA, Farmers field school, farmers led forum), watershed_committee, 1 to 5 farmers	0	16	80	120	120	Program report	Annually	Aid mentality related to dependency may inhibit promotion of SCASI.
4,4	# of reports on institutional requirements for CASI scaling	# of reports on institutional requirements for CASI scaling identified through action research		1	2	2	5	Program report	Annually	Mindset and institutional culture that may complicate the research

**OUTPUTS**

1.1 Proven CASI practices and technologies practiced by smallholder farmers	1.1.1	# of CASI practices and technologies practiced	TBD	3	6	12	12	Program reports	Biannually	Existing extension system may discourage implementation of CASI practices.
1.2 Increased equitable access to knowledge of CASI systems amongst smallholder farmers	1.2.1	# of women and men farmers received various capacity building supports	0	2000	7 500	10 000	10 000	Program reports	Biannually	Extension agents may continue favoring men in regular extension works.

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2.1 CASI Principles and technologies promoted	2.1.1	# of CASI technologies and practices promoted by type	# of CASI technologies and practices promoted by type	# of CASI & practices promoted by type	0	3	6	15	15	Program reports	Biannually	Because of short project period all SCASI technologies may not be put in practice.
3.1 Reference demonstration plots for validation of CASI practices and technologies established at model farmers farmland	3.1.1	Reference CASI plots established	# of CASI reference/model plots established on farm	# of CASI reference/model plots established on farm	0	8	32	40	40	Program reports	Biannually	Climate variability and natural hazards may affect the intended result.
3.2 Knowledge and practical skills of 15,000 smallholder farmers on CASI practices developed and increased adoption and implementation	3.2.1	# of women and men farmers trained	# of women and men farmers trained in CASI	# of women and men farmers trained in CASI	0	4000	15000	20 000	20 000	Program reports	Biannually	Conditional and unexpected government missions in communities may affect/delay training schedules.
4.1 Capacity of DAs and Agricultural experts enhanced to improved CASI	4.1.1	# of training participants trained on CASI	# of agricultural experts trained	# of agricultural experts trained	0	100	150	200	200	Program reports	Biannually	Officials may not be supportive of DAs delivering deliver SCASI services.



